

## On elections and mazar visits

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MAHFUZUR RAHMAN

COME December 29, the people of Bangladesh will vote to elect a government of their choice. By early December, the many false starts of the preceding few months appeared finally to give way -- a reassuring note suggesting that the elections would indeed take place. This is something people have been waiting, if not with bated breath, at least, was beginning to bask in the possibility of a real change of political scene -- for the better. I was preparing to write a nice piece commemorating the end of the year on such a healthy note.

But then came the mazar visits. They jolted me out of my near reverie. One by one they came, leaders of the main political parties. All of them made it a point to sojourn to Sylhet to visit the shrines of Hazrat Shah Jalal (R) and other saints before embarking on election campaign. The first to come was Sheikh Hasina of Awami League. She spent half an hour praying at the Shrine of Hazrat Shah Jalal (R) and then went on to visit the shrines of two other saints, Hazrat Shah Paran (R) and Hazrat Burhanuddin Shah (R).

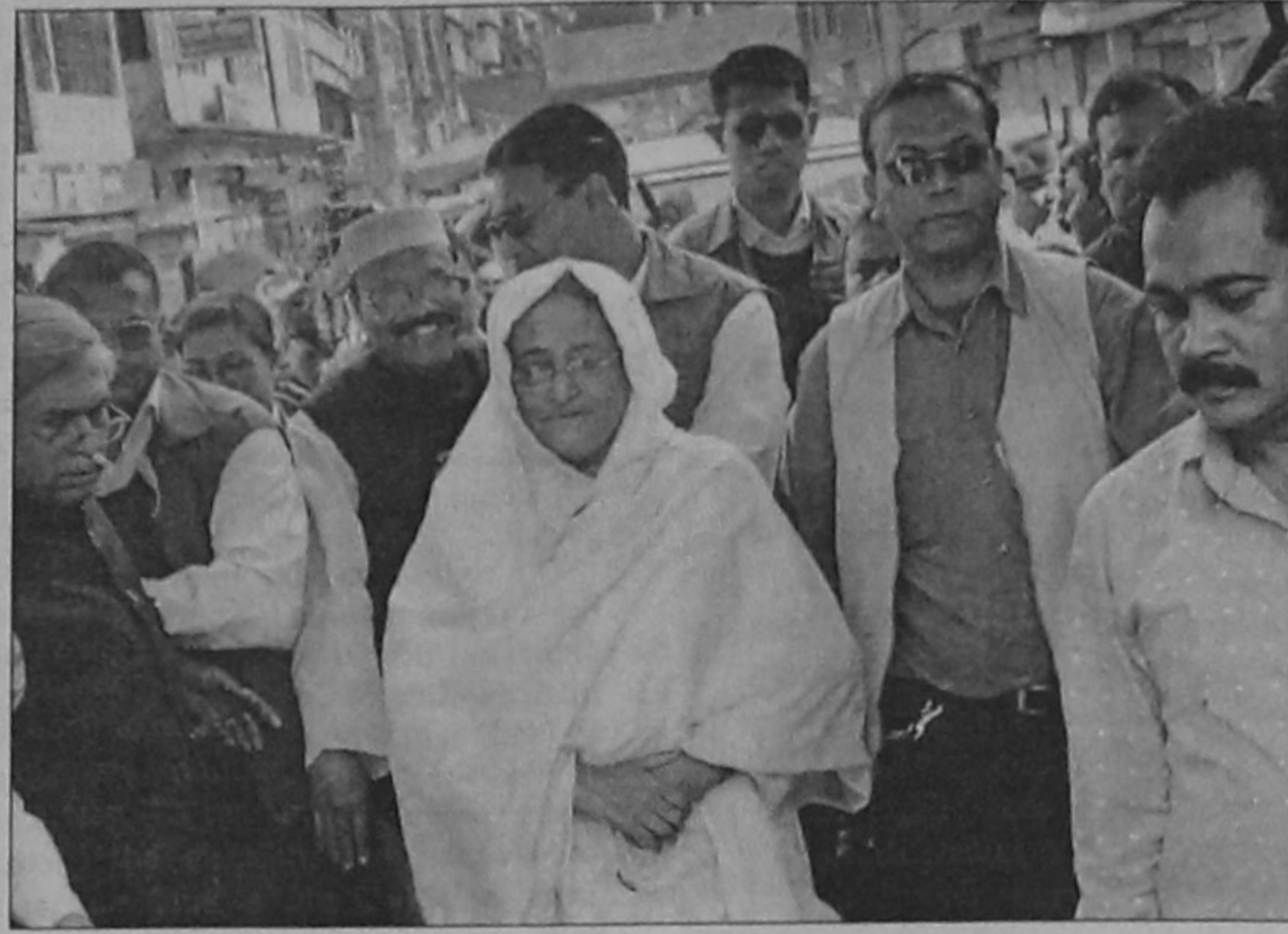
Begum Khaleida Zia of the Bangladesh Nationalist Party followed close on the heels of her archrival to pray at the shrines. H. M. Ershad of the Jatiya Party,

one-time arch-rival of both the ladies and at best an unreliable ally of one of them for now, closely followed the ladies to pray at the shrines as soon as he had completed the latest of his many about-turns on forming an electoral alliance.

This was indeed remarkable, not just because a trio of the oddest fellow travelers made the pilgrimage, kafela like, nor because they were seen to receive such festive welcome at the shrines. Far more remarkable are some of the implications of these visits.

Do not get me wrong. It is important that you do not get me wrong on matters such as religious pilgrimages. I cannot have any objection to private visits to shrines of any description, and I have none. But these were not private visits. The three devotees were not at the shrines for spiritual salvation. Their purpose was political. They were political leaders who were about to do political battle to gain political power. Their mazar visits, therefore, raise a number of questions. These are likely to be uncomfortable to some but have to be asked.

First of all, what were the leaders supplicating for? The rather obvious answer must be victory in the elections. But whether or not the supplicants at the mazars ask for favours directly from the enshrined saints or, through them, from the Supreme Being, this raises a crucial



Seeking divine blessing?

question. Only one of the contending parties or coalitions can win the elections.

Suppose the Awami League-led coalition wins the elections. (No predictions intended.) Should this be taken to mean it is divine intervention, brought about by supplication, that resulted in the victory? If the purpose of the mazar visits has any meaning, this indeed must be the interpretation of the result. But then this leaves the all-important question unanswered: are not the people themselves, and not divine interventions, supposed to determine elections results?

If the idea of democratic elections has any validity, the answer to this question must be a resounding yes, they are. In other words, the leaders visiting the mazars have more faith in divine intervention than in the people they claim to lead. That certainly diminishes them as leaders of the people.

Or, were the mazar visits mainly a demonstration of piety? Were the individual leaders trying to prove how deeply religious they had been, something that would strike a chord in so many Muslim hearts? If this were the case, they had only been playing to the gallery. This, of course, is nothing new and has always been the bane of Bangladeshi politics. Political leaders have often fallen over each other in their claim to piety, or in their denial of being anti-religious or even just irreligious.

There are good reasons to believe that nothing has changed on that score. Recently, Awami League felt it necessary to declare that it would not enact any law that went against Koranic principles or the Sunnah. At the same time, the Islamist parties are already beginning to tell anyone who would care to listen -- and there are many who would -- that the victory of secularist parties would be

a victory of anti-Islamic forces.

I believe it is safe to suggest that the mazar visits were motivated by both factors. The leaders wanted divine intervention on their behalf, and none of them wanted to be seen as being less pious than the next claimant to leadership.

Many, even from among liberal Muslims, might see only simple acts of piety in such visits and might dismiss all of the above as ranting of an armchair secularist. That will be a mistake. What might be perfectly acceptable as a private act of piety may not necessarily be so on the public plane.

There are many "innocent" ways in which the secular basis of the statehood of Bangladesh is being undermined everyday. When, for example, a major political leader suggests to her constituents that natural calamities are only a way in which God tests the patience of His servants, she makes more than a

simple pietistic remark. She treads on territory that is not hers and takes on the mantle of a literalist religious leader. She unwittingly removes one more brick from the secularist foundation of Bangladesh. She gladdens the hearts of the Islamists and strengthens them.

To call for divine intervention to win an election or be seen publicly doing an act of piety are hardly obloquy to politicians who do not espouse separation of politics from religion as a worthwhile idea. To leaders who still believe in the secular ideology that inspired the struggle for Bangladesh, this is a reminder of the numerous ways of innocently undermining that ideology. In this month of December, the hope must be that such leaders still exist.

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## Exchange rate: Double-edged sword

Exchange rate is a very effective instrument, and it should be determined by market forces. Since it works like a double-edged sword, the authorities need to be very careful before interfering with market forces in engineering a change.

AHSAN MANSUR

THE taka has shown a remarkable degree of stability vis-à-vis the US dollar in recent months despite numerous shocks. Two floods, Cyclone Sidr, and external shocks resulting from record surges in oil and commodity prices certainly complicated macroeconomic management, but the exchange rate of the taka remained remarkably stable.

Exchange rate is the single most important price in any economy, and reflects the underlying economic fundamentals if determined by market forces. Bangladesh is the only country in South Asia that enjoys a modest but persistent external current account surplus. Thus it is not surprising that as a net exporter of savings (although it sounds paradoxical for a poor country like Bangladesh), the taka would tend to be relatively stable.

For the last several years, Bangladesh has been recording surpluses in its current account balance. Strong export performance and remittance inflows are the main contributing factors, despite higher import payments associated with domestic economic expansion.

The outlook for the current account also remains favourable, given the buoyant export growth and remittance inflows. Bangladesh's limited dependence on external private capital flows in the form of portfolio or foreign direct investment also reduces its vulnerabilities to external shocks like the current international financial turmoil.

Stability of the taka will certainly help macroeconomic management by restraining inflationary pressures, which is the government's priority number one. As commodity prices are declining globally, the stability would allow these cuts to be passed on to consumers, helping the fight against inflation.

In addition, since many products are imported from India through formal and informal channels, the appreciation against the Indian rupee would help offset the impact of higher Indian inflation on our imported consumer goods and industrial inputs. This would allow the Bangladesh government to focus its fight against inflation to domestic demand management through fiscal and monetary policies.

The bilateral exchange rate with India, however, has a number of important ramifications for our economy since India is our largest trading partner and the prices of many essential items depend on supplies from India. An appreciation of Bangladesh taka vis-à-vis the Indian rupee by more than 25 percent will undoubtedly dampen the price structure in Bangladesh.

Bangladeshi consumers would benefit from this appreciation, but the implications for domestic producers would not be desirable. Indian products may flood Bangladeshi markets, causing hardships for domestic producers. Indian suppliers may capture the market for Bangladeshi garment exports and make the domestic textile sector non-competitive.

The impact on Bangladeshi farmers

could also be destabilising. The government has already reduced the procurement price of rice to Tk. 25 per kg from Tk. 29 due to developments in domestic and international markets. This reduction may act as a disincentive for rice farmers, especially after taking into account the domestic input costs.

Bangladeshi farmers have responded strongly to the higher procurement price for boro, and the supply response may evaporate if rice price falls significantly. If India lifts the rice export ban today, the same quality of rice, which is now selling in Bangladesh at Tk. 32-35 per kg, could be supplied by India at Tk. 22-24. The government would have to impose tariffs to protect domestic farmers from an invasion of Indian agriculture produce.

The services account balance in Bangladesh is always in large deficit, in part because of large payments associated with travels related to medical treatment, education, shipping, and tourism. The appreciation of the taka relative to regional currencies would certainly make it more attractive for Bangladeshis to go abroad for treatment, education and tourism, weakening the services account balance further. The dwindling services account balance is

clearly a source of vulnerability.

Bangladesh Bank (BB) is certainly enjoying a favourable environment in terms of price outlook from the external side and strong economic activity supported by exports and buoyant domestic demand. Now that the collapsing commodity prices globally are likely to dampen domestic inflation, Bangladesh should be able to lower inflation (point-to-point) to 4-5 percent by early 2009.

The inflation target in the budget (8-9 percent) is certainly un-ambitious, given the external environment, and BB must remain vigilant against the impacts of the current expansionary fiscal stance and the rapid private sector credit expansion. Some tightening of monetary policy through the recent two rounds of increases in the repo rate was appropriate, and BB should be ready to do more at the short-end of the interest rate structure if credit growth continues at an unsustainable pace.

At the same time, BB is coming under pressure from exporters to depreciate the taka in view of its significant appreciation against the euro and the Asian currencies. This development has made exporters apprehensive about loss of their competitiveness and profitability. The depreciation of the taka would,

however, work against BB's current policy of monetary tightening (to fight inflation), which would support or strengthen the taka.

At this juncture, BB has to sequence its policy response. The fight against inflation is certainly priority number one, and if this fight is won decisively in the coming months it will help the exporters by reducing domestic cost pressures. Gains on the inflation front would also help reduce the domestic interest rate structure and enhance domestic investment, thereby boosting domestic productivity and competitiveness.

At the same time, while being sympathetic to the cause of exporters, so far there is no sign of export weakness and the adverse impact of the global recession on Bangladeshi exports. Thus, it would be premature to abandon the fight against inflation by engineering a depreciation of the currency and easing the stance of monetary policy.

Exchange rate is a very effective instrument, and it should be determined by market forces. Since it works like a double-edged sword, the authorities need to be very careful before interfering with market forces in engineering a change.

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## Digital politics

Our peasant brother may not know how to send an email today, but his son or daughter can learn the intricacies of information technology in the next five years or so, provided we equip our primary schools with computers and instructors.

ADNAN MORSHED

AS Americans and the people of the world fathom the global scope of a new America in the wake of Obama's decisive victory, all kinds of analyses of his election strategy continue to intrigue.

But what got sidetracked in the post-election hoopla is how effectively Obama employed the digital media. Many pundits even suggested that Obama's victory would be seen as the harbinger of a new kind of digital politics.

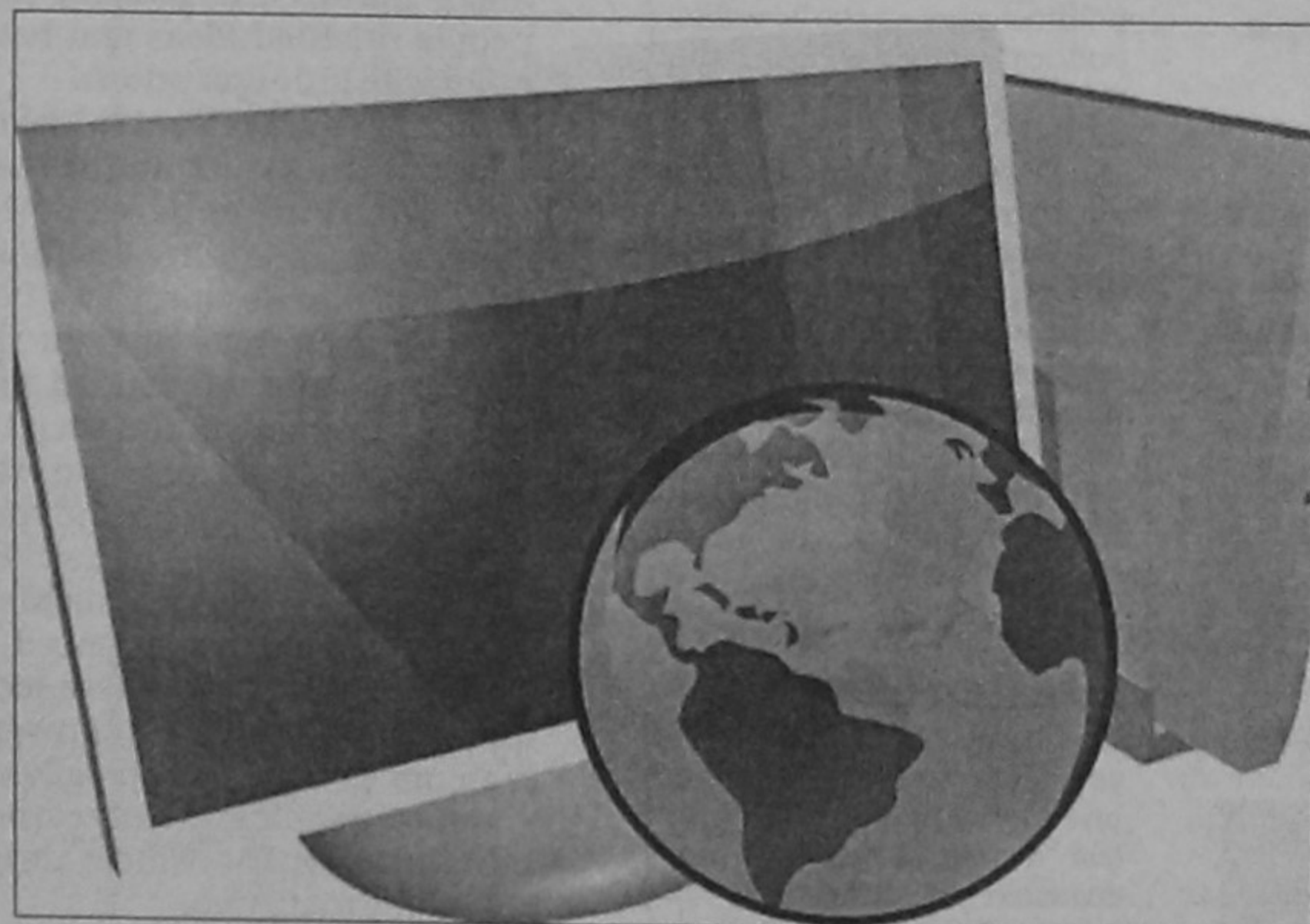
Earlier American presidents also exploited the media of communication to their advantage. Abraham Lincoln used telegraph to win the Civil War and transform the nature of his presidency. John F. Kennedy seized television in fashioning a youthful self-image. But Obama's use of the digital media reached new heights.

Right from the beginning of his presidential bid Obama figured out how to wage a fully networked campaign warfare in an increasingly Web-rich America. Obama understood the power of YouTube and Facebook in creating and bringing together a network of support-

ers and donors. With 2.3 million Facebook adherents and timed uploading of political videos on YouTube tailored for battleground states prior to November 4, Obama's campaign reaped the full benefit of their online ability to reach out to America's burgeoning tech-savvy demographic.

There was a generational shift. Obama's theme of "change" struck a popular chord with the young digital electorate, which most probably interpreted the fact that John McCain did not personally use email as a representation of a presidential worldview tragically stuck in a bygone era, a pre-Web sociology that no longer held sway. With the instant circulation of information, the digital media pretty much shaped the popular perceptions of candidates. Viewed more than 50 million times, "Saturday Night Live's" caricature of Sarah Palin defined her in the public eye.

In an era of online geopolitics, where pre-election YouTube videos containing the names of Obama or McCain were viewed 2.3 billion times, the price of ignoring the political capital of technology could be lethal. Imagine this scenario. A candidate makes a politically incorrect gaffe in a public meeting. A



Reach out to the people.

bystander records it in his cell phone and instantly uploads it on YouTube for millions of people to watch and react to. One fuzzy video clip could send a promising candidate to the political emergency room.

Obama grasped both the promises and perils of technology from the very start, and put digital politics at the heart of his campaign. It was hardly surprising that Obama's team recruited Chris Hughes, cofounder of Facebook, to help develop his social-networking Web strategies. In two days before Tuesday, the Obama campaign's online calling tools enabled more than a million calls to mobilise

Obama also understood the peculiar democracy of the Web. Because he could reach out to millions of registered voters via his Web site or social-networking site, he was able to disseminate his messages of hope and rake in staggering amounts of cash -- \$55 million in one month.

The democratic inclusiveness of the Web meant that Obama relied not on the six-digit checks of corporations or lobbyists (or glitzy black-tie fundraising dinners), but on the flow of small online donations from ordinary folks across the country. His team masterfully choreographed the marriage of this democratising element of technology with the

message of change could not be better complemented by an optimistic vision of technology as a tool for empowering the people.

Are our veteran politicians or bureaucrats aware of the expanding scope of the digital media? Many would retort that Bangladesh, as a developing country or as an agrarian economy, is still years away from such discussions. Many politicians in Bangladesh would either not understand the gravitas of the new digital geopolitics or trash it as bourgeois intellectualism.

Such trashing happens in America too. Sarah Palin sought to create an atavistic image of America devoted to everyday Joes happily rooted in their lands and hardly perturbed by globalisation. The America Palin presented to her supporters was created from a conscious repudiation of the modern world's essential interconnectedness.

Many politicians in Bangladesh take an approach not unlike Palin's. They believe that in the landscape of grassroots politics, technology is bourgeois. This is the type of shortsightedness that blinkers our vision for the future. Technology could be a potent tool in the fight against poverty, ignorance, gender prejudice, and the culture of unequal opportunities.

I had the opportunity to visit many government, semi-government, and NGO offices, in both urban and rural areas in Bangladesh. I saw both opti-

astounding was that an entire generation in politics and bureaucracy appears to be either computer-illiterate or unable to grapple with the significance of simple emailing or Web-browsing.

High-definition TVs and cell phones may abound in Bangladesh, but cashing in on technology's social and economic potentials for the future is hardly on the horizon of our politicians and policymakers. But, alas, in a competitive global society an email inquiry must be responded to immediately or the deal goes somewhere else! The private sector and academia in Bangladesh are somewhat better, with leaderships that value the expanding role of the digital media.

Our peasant brother may not know how to send an email today, but his son or daughter can learn the intricacies of information technology in the next five years or so, provided we equip our primary schools with computers and instructors.

It is time our political parties gave top priority to digital technology as a development tool. The next government must make computer literacy a mandatory requirement for all new mid- and upper-level government employees. The policy wonks must restructure foreign policy by taking into account how political, economic, and image-building battles are waged increasingly in the digital domain of the Web.

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